

# EXHIBIT A



gene Katz [REDACTED]

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## FW: Risks to Calamos

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Gene Katz [REDACTED]

Thu, Jul 14, 2016 at 9:59 AM

**From:** Gene Katz  
**Sent:** Thursday, July 14, 2016 10:00 AM  
**To:** John Calamos Sr.; John Koudounis; Robert Behan; Laura Calamos  
**Subject:** Risks to Calamos

John, John, Bob and Laura,

The company is in horrible danger. Continued outflows, lack of profitability, poor managerial depth, continued turnover, horrible fund performance, lack of focus, dishonesty, greed and expensive fixed cost structure, put the company in unprecedented danger. As we know, a loss of credibility beyond a threshold could create a run on our AUM and overall company. The A shareholders do not have their interests represented at the company. In my opinion, the family is also misdirected currently, as it's literally being pirated, in the modern sense of the word.

Everyone seems to not be talking about the obvious. What is the reason? Some of it is due to complacency, and the unwillingness to work hard. Some of it is due to fear of losing one's job. A lot of it is caused by greed, as many employees at the company are willing to ignore the problems in order to milk as much money as possible out of Calamos, before the music stops.

After conversations with a number of senior managers at Calamos, I am concerned about the following matters:

1. The steady bad performance of the funds indicates that we will have tough times ahead. Calamos has gone down in AUM consistently, despite a strong equity market. This begs the question, what happens if the equity market weakens?
2. The Co-CIO team is made up of very little talent, due to continued managerial turnover, that includes the turnover of Nick Calamos. Calamos is in a predicament where the company must publicly support the Co-CIO team while steadily looking to replace them. The leaving of one or more of the Co-CIO's could create a massive outflow of AUM from the company
3. Although I orchestrated the strategy to replace Gary Black including the creation of the Co-CIO team, I now believe it was a horrible idea, used as a play to accumulate power (namely the current Co-CIO's) without my knowledge

4. Consistent turnover of managerial staff has created extremely poor continuity and culture
5. The current management team is responsible for the company's consistent demise due to a lack of honesty and direction
6. Financial results have deteriorated tremendously
  - Loss per GAAP, last quarter
  - Calamos' debt at risk of breaking covenants
  - Calamos has an extremely high fixed cost structure
  - Although we post the fact that the company has a high cash position, in reality, very little, if any of the cash is available to the operating company
  - Use of company funds for family undertakings
7. Brand has been impacted
8. Industry changes are faster than anyone expected:
  - Regulation has increased. The introduction of the DOL rule and other fiduciary measures. This eliminates the use of expensive, poor performing funds
  - Technology has improved filtration, allowing customers to find the best funds, once again. This eliminates the use of expensive, poor performing funds
  - Low cost products like ETF's and index mutual funds, are getting a majority of the inflows. This eliminates the use of expensive, poor performing funds
9. Lack of focus by Calamos to solve problems with the core business. Any strategist would say that the core has to be strong, before moving on to 'other' business lines.
10. Lack of action. We have had much talk about the potential solutions and M&A is always at the top of the list. Performance of existing funds would take 3-5 years to fix, so the only hope for immediate impact to outflows is acquisition. Senior management has even communicated the focus on M&A to associates, including yesterday, at the sales dinner. However, as the head of corporate development including M&A, as of today, I am not aware of any active deals. This concerns me greatly because: 1. Deals take up to 12 months 2. We are not being genuine to employees
11. There is a huge conflict of interest with the current corporate structure where A shareholders, including employees that have LTI, are not in a fair predicament. The structure was created at a time where bankers supported the structure (Gabelli, Dreamworks, etc), but today, particularly in our heavily regulated industry, the structure is an enormous liability, if people (including employees) were to understand the conflict of interests. I will not expound on this point but have all the supporting detail about co-mingled funds, incorrect use of cash on financials, etc.
12. With all these problems, you would think that we would be working hard for a solution. On the contrary, we are seeing the opposite. The arrival of the new CEO, has been a disappointment thus far due to the following reasons:
  1. There has been an internal announcement about Calamos going into the insurance business. With the core business in trouble, I would refer to point #8 above
  2. There has been an announcement that Calamos is going into fixed income. With rates at historical lows, going into the bond business now seems ill-advised. More so, it once again is not Calamos' core business
  3. John Koudounis has been announced to have a salary of \$5 million annually. This seems outrageous considering the state of the company's problems

4. John Koudounis has been given a limo and driver, taking him back and forth from the office. Once again, given the fact that Calamos just had a quarterly loss, this again seems outrageous
5. John Koudounis, to my understanding, has not signed an employment agreement, which puts the company in enormous risk
6. None of the senior managers or the BOD were involved in John Koudounis' hire. This is documented
7. The insurance structure that is being contemplated, has John Koudounis as a direct owner. This again is an enormous conflict of interest
8. Although I do not have the details, it is my understanding that John Koudounis is also getting ownership through the family. This again is an enormous conflict of interest, as the A shareholders (including employees that own LTI) are not being represented by the CEO

If we continue in the same course of action, I believe the company is on the verge of falling apart, like Turner in the past, and others. The A shareholders do not have their interests represented at the company. We need serious, honest leadership that is not looking to line its own pockets. If we do this, we will prosper. I believe in Calamos, and will do everything in my power to help some of the great leaders like Bob Behan, Eli Pars, Dave Butler and Chris Jackson make this company great again, if asked. I am in support of John Koudounis based on the fact that Calamos cannot afford any more turnover, but what's outlined above has to stop in a hurry. I will not standby to watch or be a part of the dishonesty outlined above.

Best,

Gene

**Gene Katz**

Vice President, Director of Corporate Development

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